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Ministry of Forests

INVESTMENT ACCOUNT WILL STRENGTHEN FOREST STEWARDSHIP

VICTORIA – The province is addressing problems at Forest Renewal BC by replacing the corporation with a new forest-sector investment model led by government and delivered by industry, Forests Minister Michael de Jong announced today.

"We committed in our New Era platform to either fixing or scrapping FRBC," said de Jong. "Community leaders, companies and workers told us FRBC was too process-oriented and inflexible, resulting in high administrative costs at the expense of on-the-ground funding. Based on these concerns and a comprehensive review, we have decided to replace FRBC with a new Forest Investment Account, which will help government develop a globally recognized, sustainably managed forest industry."

Funding from the Forest Investment Account will be available for land-based activities, marketing, and value-added growth, as well as research to promote forest stewardship, honouring another New Era commitment.

To ensure funding is properly managed and focused on the government's key forestry commitments, investment dollars will be directed to activities on public land - enhanced forestry, watershed restoration and resource inventories - and marketing and research that supports sustainable forest management and increased allowable annual cuts.

"Forest Renewal BC was not sustainable, spending twice as much as it was taking in this year alone," said de Jong. "As the auditor general's report made clear, we need to ensure forest renewal resources are being managed accountably and effectively so they're available to strengthen sustainable forest management.

"We are committed to reducing delivery costs substantially and putting dollars back into the land bases from which they came," de Jong added. "Government will set the standards and goals for the new investment model. The private sector will manage projects and be held accountable for delivering the work. The results will be independently audited each year."

The ministry will work with FRBC to wind down its operations by March 31, 2002, and to transfer existing commitments to the Forest Investment Account. Details of the account will be released in late fall. All commitments that had been entered into at the time the review was begun will be honoured in the current fiscal year.

Contact: Mike Hogan, Executive Director, Communications 250 356-7504

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